

**DRAFT**

**CONSULTANT SERVICES AGREEMENT  
BETWEEN THE CITY OF SUNNYVALE AND HILTON, FARNKOPF & HOBSON, LLC  
TO PREPARE A REQUEST FOR PROPOSALS (RFP) FOR THE OPERATION OF THE  
SUNNYVALE MATERIALS RECOVERY AND TRANSFER (SMaRT) STATION®**

THIS AGREEMENT dated \_\_\_\_\_ is by and between the  
CITY OF SUNNYVALE, a municipal corporation ("CITY"), and  
\_\_\_\_\_("CONSULTANT").

WHEREAS, CITY is in need of specialized services in relation to the preparation of a Request for Proposals (RFP) for the operation of the Sunnyvale Materials Recovery and Transfer (SMaRT) Station, assistance with operator selection and with the contract negotiations with the selected operator; and

WHEREAS, CONSULTANT possesses the skill and expertise to provide the required services;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AGREEMENT.

1. Services by CONSULTANT

CONSULTANT shall provide services in accordance with Exhibit "A" attached and incorporated by reference. CONSULTANT shall determine the method, details and means of performing the services.

2. Time for Performance

The term of this Agreement shall be from the date of contract execution through completion of all tasks specified in Exhibit "A", unless otherwise terminated. Tasks shall be completed within the timeline set forth in Exhibit "A-1."

3. Duties of CITY

CITY shall supply any documents or information available to City required by CONSULTANT for performance of its duties. Any materials provided shall be returned to CITY upon completion of the work.

4. Compensation

CITY agrees to pay CONSULTANT at the proposed cost rate detailed in Consultant Cost Proposal (Exhibit "B"). Total compensation shall not exceed Fifty Nine Thousand Nine Hundred Sixty One and no/100 dollars (\$59,961.00). CONSULTANT shall submit invoices to CITY no more frequently than monthly for services completed during the previous month. Payment will be made within thirty (30) days of receipt of an accurate, itemized invoice by CITY's Accounts Payable Unit.

5. Ownership of Documents

CITY shall have full and complete access to CONSULTANT's working papers, drawings and other documents during progress of the work. All documents of any description prepared by CONSULTANT shall become the property of the CITY at the completion of the project and upon payment in full to the CONSULTANT. CONSULTANT may retain a copy of all materials produced pursuant to this Agreement.

6. Conflict of Interest

No officer or employee of CITY shall have any interest, direct or indirect, in this Agreement or in the proceeds thereof. During the term of this Agreement CONSULTANT shall not accept employment or an obligation which is inconsistent or incompatible with CONSULTANT's obligations under this Agreement.

7. Confidential Information

CONSULTANT shall maintain in confidence and at no time use, except to the extent required to perform its obligations hereunder, any and all proprietary or confidential information of CITY of which CONSULTANT may become aware in the performance of its services.

8. Compliance with Laws

- (a) CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, creed, color, national origin, gender, age (persons 40 years or older), disability, or any other basis to the extent prohibited by federal, state, or local law. All employees of CONSULTANT shall be treated during employment without regard to their race, creed, color or national origin.
- (b) CONSULTANT shall comply with all federal, state and city laws, statutes, ordinances, rules and regulations and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of the Agreement.

9. Independent Contractor

CONSULTANT is acting as an independent contractor in furnishing the services or materials and performing the work required by this Agreement and is not an agent, servant or employee of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT. CONSULTANT is responsible for paying all required state and federal taxes.

10. Indemnity

CONSULTANT shall indemnify and hold harmless CITY and its officers, officials, employees and volunteers from and against all claims, damages, losses and expenses, including attorney fees, arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of CONSULTANT, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of CITY.

11. Insurance

CONSULTANT shall take out and maintain during the life of this Agreement policies of insurance as specified in Exhibit "C" attached and incorporated by reference, and shall provide all certificates or endorsements as specified.

12. CITY Representative

Mark Bowers, Solid Waste Program Manager, as the City Manager's authorized representative, shall represent CITY in all matters pertaining to the services to be rendered under this Agreement. All requirements of CITY pertaining to the services and materials to be rendered under this Agreement shall be coordinated through the CITY representative.

13. CONSULTANT Representative

Robert Hilton, President shall represent CONSULTANT in all matters pertaining to the services and materials to be rendered under this Agreement; all requirements of CONSULTANT pertaining to the services or materials to be rendered under this Agreement shall be coordinated through the CONSULTANT representative.

14. Notices

All notices required by this Agreement shall be in writing, and shall be personally delivered, sent by first class with postage prepaid, or by sent by commercial courier, addressed as follows:

To CITY: Mark Bowers  
Public Works/Solid Waste Division  
CITY OF SUNNYVALE  
P. O. Box 3707  
Sunnyvale, CA 94088-3707

To CONSULTANT: Hilton, Farnkopf & Hobson, LLC  
Attn: Robert Hilton  
2175 N. California Blvd., Suite 990  
Walnut Creek, CA 94596

Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by telephone or facsimile transmission, to accomplish timely communication. However, to constitute effective notice, written confirmation of a telephone conversation or an original of a facsimile transmission must be sent by first class mail or commercial carrier, or hand delivered. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of two days after mailing, unless such date is a date on which there is no mail service. In that event communication is deemed to occur on the next mail service day.

15. Assignment

Neither party shall assign or sublet any portion of this Agreement without the prior written consent of the other party.

16. Termination

If CONSULTANT defaults in the performance of this Agreement, or materially breaches any of its provisions, CITY at its option may terminate this Agreement by giving written notice to CONSULTANT. If CITY fails to pay CONSULTANT, CONSULTANT at its option may terminate this Agreement if the failure is not remedied by CITY within thirty (30) days from the date payment is due.

Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY also shall have the right to terminate this Agreement for any reason upon ten (10) days' written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be compensated in proportion to the percentage of services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONSULTANT shall present CITY with any work product completed at that point in time.

17. Entire Agreement; Amendment

This writing constitutes the entire agreement between the parties relating to the services to be performed or materials to be furnished hereunder. No modification of this Agreement shall be effective unless and until such modification is evidenced by writing signed by all parties.

18. Miscellaneous

Time shall be of the essence in this Agreement. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. This Agreement shall be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement.

ATTEST:

CITY OF SUNNYVALE ("CITY")

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
("CONSULTANT")

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Name and Title

## ATTACHMENT "A"

### SECTION 1 INTRODUCTION

*Proposal  
Prepared in  
Compliance  
with your  
RFP*

Our proposal is organized to be fully responsive to the City of Sunnyvale's (City) Request for Proposals (RFP) No. F0406-72 to prepare an RFP for the operation of the Sunnyvale Materials Recovery and Transfer (SMaRT) Station.® It:

- Presents our firm and project team qualifications.
- Describes our understanding of the City's project and unique needs.
- Presents our approach to assisting the City with selection of a new SMaRT Station operator.
- Provides a timeline for performing the competitive operator selection process that meets your requirements.
- Presents our proposed costs.

Below we provide the outline of our proposal and, for clarification, we reference the relevant sections of your RFP.

Section	Description	RFP Section
	Cover Letter	E.1, E.12
1	Introduction	----
2	Firm Qualifications	E.2 and E.3
3	Project Team	E.4
4	References	E.5 and E.6
5	Project Approach	E.7 and E.8
6	Management Plan	E.9
7	Project Schedule	E.10
8	Proposed Cost	E.11

We reviewed the City's sample consulting services agreement and are prepared to sign such agreement if we are the selected consulting firm. In addition, within 10 days of selection, we will provide the necessary insurance documentation, apply for a Sunnyvale business license, and submit a completed Internal Revenue Form W-9. Our proposal is effective for a period of 90 days beyond its submittal date.

## SECTION 2 QUALIFICATIONS

In this section, we present HF&H's mission and history, and describe the stability and strength of our consulting practice. In addition, we summarize our areas of specialization and expertise, and introduce our client base and their level of satisfaction with our work.

### Overview of Firm

*Mission: High  
Value and  
Quality Services  
for the  
Environment*

*HF&H's mission is to provide services of high value and quality, to improve public services and the use of environmental resources, and to serve our clients with integrity.* We believe our mission distinguishes us from our competitors. It has resulted in our high degree of client satisfaction and our reputation as one of the top solid waste management consulting firms in the western United States.

HF&H was founded in 1989. Its three founding partners, Robert Hilton, Scott Hobson, and John Farnkopf worked together for several years for a "Big Six" accounting firm. At this "Big Six" firm, they developed their professional approach to management consulting that includes:

- Focusing on client objectives and goals.
- Agreement with the clients on the work to be performed, the time, and the budget.
- Staffing projects with a team of qualified consultants.
- Documenting and performing effective quality control review of the work performed.
- Communicating frequently with the client.

*The Synergy of  
Certified  
Accountants,  
Engineers and  
Management  
Consultants*

HF&H provides clients with both the breadth of experience of a national firm and the responsiveness, accountability, and personal commitment of a local firm. HF&H staff includes accountants, economists, engineers, and public policy experts with both public sector and industry experience. The synergy resulting from the varied backgrounds of our consultants provides substantial added value to our clients. This value can rarely be achieved by individual engineering, accounting, or management consulting firms.

*"Responsive to my  
Needs and  
Inquiries"*

Our regional location and focus ensures that we are intimately familiar with legal, regulatory, and industry developments. Because our consultants are seldom far away, our clients always receive a timely, personal response to their needs. In the client satisfaction survey included as Appendix A, you will find that 100% of the respondents said, "HF&H staff were responsive to my needs and inquiries."

*Low Staff to  
Partner Ratio*

HF&H has a low staff-to-partner ratio in order to allow our most experienced consultants to actively participate in client projects, rather than only in practice development and project administration. Unlike firms that delegate critical tasks to junior employees, our senior advisors are involved throughout our clients' projects. Our staff works as a team to provide a group with diverse solid waste management experience and expertise and to allow for service to be delivered cost-effectively. Furthermore, the close working relationship between management and staff ensures effective supervision and quality control. The executives' national certifications assure our clients of compliance with the highest professional standards.

In the San Francisco Bay Area we are preeminent in the provision of procurement services:

- In Santa Clara County, we conducted the competitive procurement of solid waste services for the cities of Campbell, Los Gatos, Saratoga, and Monte Sereno nearly 10 years ago and are currently conducting a new competitive procurement for these same services. Also, we assisted in forming a joint powers authority (West Valley Solid Waste Management Authority) and have served as its executive director. Similarly, we recently completed sole source negotiations for these services on behalf of the City of Milpitas, who we have assisted in solid waste management matters for many years.
- In San Mateo County, we have conducted solid waste service negotiations on behalf of the twelve member agencies of the South Bayside Waste Management Authority as well as the cities of Millbrae and San Bruno.
- In Alameda County, we have assisted cities such as Livermore and Union City not only with the recent competitive procurement of similar services but also their prior procurement processes nearly 10 years ago. In addition, we conducted the recent competitive procurements for the cities of Alameda and Piedmont. Finally, we have assisted the cities of Albany, Fremont, Newark, and Oakland with their negotiations of these same services. In fact, our reputation in Alameda regarding



competitive procurements is so strong that the Alameda County Waste Management Authority asked us to develop a guide on best franchise practices.

- We have assisted the West Contra Costa Solid Waste Authority in the review of budgets for its service provider and recently assisted staff with the renegotiation of solid waste transfer and recyclables processing services.
- Nearly 10 years ago, we assisted in the formation of the Central Contra Costa County Solid Waste Authority, conducted the initial procurement of solid waste services and recently assisted authority staff in the renegotiation of those agreements.

### **Firm Stability and Strength**

*Solid Waste  
Planning,  
Procurement,  
Financial,  
Litigation and  
Regulatory  
Support*

HF&H celebrated its 15<sup>th</sup> anniversary in 2004. The firm is managed by three partners:

- Robert Hilton, founding partner
- John Farnkopf, founding partner
- Laith Ezzet, partner since 1996

The firm has 16 employees, including its 3 partners. HF&H's solid waste consulting staff is comprised of 12 professionals with extensive procurement qualifications and procurement project experience. Seven senior professionals manage our competitive procurement engagements. Currently, the average tenure of our professionals is 7.6 years, which shows our staff's level of commitment and satisfaction with HF&H.

In addition to our 16 employees, we have an on-going relationship with Scott Hobson, a founding partner who left the firm to join the Accounting Department at Brigham Young University. Mr. Hobson continues to work with us to serve our clients on a consulting basis.

*Firm Stability  
Demonstrated  
by the Number  
of Projects and  
Long-Term  
Clients*

Our reputation for excellent client service is well established, having performed more than 800 solid waste engagements over the past 15 years. We have developed long-term relationships with our clients, including Sunnyvale, who have hired us and continue to hire us for several projects. In fact, 70% of our work is performed for continuing clients, some of which the members of HF&H have worked for more than 20 years. Our track record measured in terms of the number and type of engagements and the number of repeat clients demonstrates our ability to consistently deliver a high level of client satisfaction and our financial strength as a consulting firm in the solid waste management industry. A list of our clients is provided in Appendix B.

*"Professional,  
Experienced and  
Well Qualified"*

A recent client survey (Appendix A) found 100% percent of the respondents agreeing, "HF&H staff were professional, experienced and well qualified." With our wide-ranging educational and professional backgrounds, we can apply a diversity of perspectives and expertise appropriate to your project.

Our stability and strength can also be measured in terms of our performance. We have no past or on-going incidents regarding alleged default, failure to perform, or termination. HF&H is not, and has not been, involved in any civil or criminal litigation or investigation in which HF&H was a party, or in which HF&H has been judged guilty or liable.

### **Areas of Specialization and Expertise**

*Breadth of  
expertise of a  
national firm;  
knowledge of  
regional  
conditions;  
responsiveness of a  
local firm; and,  
highest quality of  
professional  
service*

HF&H's solid waste management practice is designed to provide our clients with the breadth of expertise of a national firm; the knowledge of regional conditions; the responsiveness of a local firm; and, the highest quality of professional service. Our services include the following:

#### **Planning**

- Long Range and Strategic Planning
- Program and Facility Planning
- Financial Master Plans
- Financial Feasibility Studies

#### **Procurement**

- Request for Proposals (RFP) Preparation
- Request for Bids (RFB) Preparation
- Service Agreement Preparation
- Proposal Evaluations
- Negotiation Support
- Implementation Support

#### **Management Studies**

- Organization Studies
- Management Reviews
- Program Performance Audits

### **Financial Engagements**

- Rate Procedures
- Revenue Requirement Analysis
- Cost of Service Allocations
- Rate Structure Design
- Franchise Fee Audits
- Rate Negotiations
- Facility and Vehicle Impact Fees

### **Litigation and Regulatory Support**

- Litigation Support
- Expert Witness Testimony
- Regulatory Reporting and Representation

### **Client Base and Client Satisfaction**

*Exclusively  
Serving Public  
Agencies for more  
than 15 Years*

HF&H's client base includes public officials throughout the western United States responsible for solid waste, water, and wastewater activities. HF&H provides services exclusively to government agencies, because we believe that conflicts of interest may arise within advisory firms that serve both public and private sector clients. Our independence from private companies is valuable to the City because any appearance of conflict or relationship with proposers, whether actual or perceived, can be detrimental to the competitive contractor selection process. This independence is particularly important for facility or program planning and funding, effective service procurements and contract negotiations, and rate regulation because we can provide an objective perspective.

A listing of our clients is provided in Appendix B.

# SECTION 3

## PROJECT TEAM

---

City of Sunnyvale

HF&H Engagement Director  
Robert D. Hilton, CMC

Engagement Manager  
Tracy A. Swanborn, P.E.

Engagement Team  
David Krueger  
Rob C. Hilton  
Michael Roldan

Advisory Team  
Scott Hobson, CPA  
Laith Ezzet, CMC  
Lisa Keating, Esq.

## SECTION 3 PROJECT TEAM

Our project team and our strategy of organizing our professionals are presented in this section. We also provide a description of each team member's professional experience and qualifications.

### **Team Members**

*Eight Highly-  
Qualified  
Professionals*

We have assembled a team of eight highly-qualified professionals to contribute to the City's project. Our project team has worked with several jurisdictions on projects similar to Sunnyvale's, and has worked with Sunnyvale on numerous projects including the RFP 2000 SMaRT Station operator selection, annual review of Specialty Solid Waste and Recycling/Bay County Waste Services' contractor payment application, cost of service studies, and development of a solid waste rate regulation procedures manual.

Our Engagement Director will be firm-owner and President Bob Hilton, Certified Management Consultant (CMC). Tracy Swanborn, Senior Manager, will be the Engagement Manager. They will be assisted by Scott Hobson, Laith Ezzet, David Krueger, Lisa Keating, Rob Hilton, and Michael Roldan.

### **Organization of Team**

To provide the best service to the City, we organized our team into two groups: the Engagement Team, and the Advisory Team. The organizational chart presented on the opposite page illustrates our team approach.

*Experience from  
RFP 2000 and a  
Fresh Perspective*

What we think is exciting about our project team is that we can offer the City both the experience of staff that managed the Sunnyvale's last SMaRT Station operator procurement and the experience of other Northern California and Southern California staff to build on the prior experience. Specifically, our team includes:

- Scott Hobson, who prepared the RFP 2000 and assisted with the selection of the SMaRT Station's current operator and who will bring to the team the experience of the RFP 2000 operator selection process;
- Tracy Swanborn (who brings extensive procurement experience) and David Krueger, who was the recycling manager at Davis Street

materials recovery facility for the past five years, (who brings direct facility operations experience) who offer a fresh perspective and work in our Walnut Creek office; and,

- Laith Ezzet and Lisa Keating, who assisted the cities of Oxnard and San Bernardino with RFPs for transfer station and recycling facility operator services, and who will bring a perspective from our Southern California experience.

This combination allows us to use the RFP 2000 as a foundation and build on it to make improvements and introduce innovative ideas for increased diversion, cost control, and management efficiencies.

The Engagement Team will be responsible for managing the project, working directly with the City on a day-to-day basis, and performing all aspects of the scope of services.

The Advisory Team will be involved in the project by serving as "consultants" to our Engagement Team so that the collective statewide experience of our firm benefits the City. For example, Scott Hobson is on our Advisory Team because he managed the RFP 2000 operator selection process. The Engagement Team will draw on Scott's experience understanding any lessons he learned and recommendations he has for changes. Laith Ezzet and Lisa Keating, two other members of our Advisory Team, will be involved so that we can benefit with their recent experience managing RFP operator selection processes for cities of Oxnard and San Bernardino. Specifically, we will want to understand from them any innovative ideas or incentives developed to encourage high diversion.

We do not plan to use sub-contractors because our team provides the experience and insight needed to perform this project.

### **Experience of Staff**

On the following pages we provide a brief description of each team member's professional experience. Complete résumés are available upon request. The following table summarizes our team's experience and role on the project.

114 Years of  
Combined  
Experience

Name	Title	Years of Experience	Role on Project
Robert D. Hilton, CMC	Firm Partner, President	30	Engagement Director; Negotiator
Tracy Swanborn, PE	Senior Manager	19	Engagement Manager
Scott Hobson, CPA	Former Firm Partner	20	Advisor
Laith Ezzet, CMC	Firm Partner, Senior Vice President	19	Advisor
David Krueger	Senior Associate	15	RFP Preparer and Proposal Evaluator
Lisa Keating, ESQ	Senior Associate	6	Advisor
Robert C. Hilton	Associate	3	RFP Preparer and Proposal Evaluator
Michael Roldan	Associate	2	Proposal Evaluator

## **Robert D. Hilton, President, Engagement Director**

### **Range of Experience**

Mr. Hilton, a Certified Management Consultant (CMC) and President of HF&H, has over 30 years of public management experience in county and city government and special districts, the past 20 years as a consultant. He has provided expert advice to more than 200 agencies in solid waste, water and wastewater, and rent control.



### **Relevant Professional Experience**

- Assisted the City of Sunnyvale with the 1989/1990 RFP process for selection of a collection contractor, 2002 collection contract extension negotiations, and 2005 collection contractor compensation review.
- Developed and negotiated solid waste, recycling, and yard waste collection, processing, and disposal agreements for more than 50 municipalities which included preparation of RFPs, scope of services, performance standards, and rate review procedures.
- Provided advisory services for AB939 related programs and services in numerous Northern California cities.
- Performed financial analysis and cost of service studies, and developed rate structures and diversion incentives for more than 80 municipalities.

### **Professional Organizations**

- Institute of Management Consultants, Northern California Chapter, Past President
- Solid Waste Association of North America

### **Recent Papers and Presentations**

- "Rate Structuring and Its Effect on Customer Subscription and Waste Diversion," SWANA Western Regional Symposium, South Lake Tahoe, 2005.
- "Creating Effective Franchises and Contracts," panelist, California Resource Recovery Association Conference, 2004.
- "Single Stream Recycling Challenges and Implementation Issues," panelist, Alameda County Waste Management Authority and Contra Costa County Solid Waste Authority Technical Advisory Committee Workshop, 2003.



- "Public Ownership of Solid Waste Facilities," Solid Waste Association of North America, Western Regional Symposium, 2002.

#### **Education and Professional Certification**

- M.A., Public Administration, California State University, San Jose
- B.A., Political Science, California State University, San Jose
- Certified Management Consultant (CMC Professional Certification)

## **Tracy Swanborn, P.E., Senior Manager, Engagement Manager**

### **Range of Experience**

Ms. Swanborn has 19 years of experience in civil and solid waste engineering, with expertise in collection, disposal, transfer station, and materials recovery facility procurement, and contract development and negotiations. She has managed collection, transfer, and disposal service procurement projects for over 10 municipalities that have involved facilitation of public workshops, RFP preparation, proposal evaluation, franchise agreement and disposal agreement preparation, contractor selection and negotiations, and City Council presentations. Her expertise also includes rate setting, rate comparison benchmarking analyses, customer service level assessment, recycling program assistance, and preparation of municipal code language related to solid waste and recycling services.



### **Relevant Professional Experience**

Ms. Swanborn has been responsible for facilitation of public workshops, RFP preparation, proposal evaluation, franchise and disposal agreement preparation, contractor selection and negotiations, and City Council presentations for more than 10 jurisdictions in California including Alameda, Albany, Livermore, Petaluma, and Union City.

### **Professional Organizations**

- Solid Waste Association of North America (SWANA)

### **Recent Papers and Presentations**

- "Multi-Family Recycling: Effectively Implementing and Monitoring Recyclables Collection," SWANA Western Regional Symposium, South Lake Tahoe, 2005
- "Contract Enforcement: Tools for Managing Franchise Agreements Efficiently and Effectively," SWANA Western Regional Symposium, San Luis Obispo, 2004
- "Procurements: Public Entities Competing with Private Companies," SWANA, South Lake Tahoe, 1999

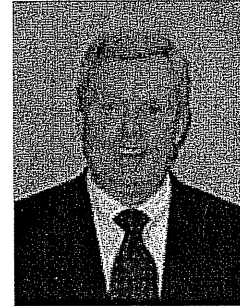
### **Education and Professional Certification**

- B. S., Civil Engineering, Bucknell University, Pennsylvania
- Professional Engineer in Civil Engineering, State of California

## **Scott Hobson, Former HF&H Partner and Current Advisor**

### **Range of Experience**

Mr. Hobson has 20 years of experience in performing rate studies, financial feasibility studies, rate reviews, management reviews, service procurements and contract negotiations. In addition, he has performed financial analysis of capital and operating costs of solid waste and water facilities. He currently teaches introductory and intermediate financial and managerial accounting and management consulting at Brigham Young University in Provo, Utah.



### **Relevant Professional Experience**

Mr. Hobson participated in or managed all of the work performed for the City of Sunnyvale by HF&H between 1989 and 2003. This included service procurements for solid waste collection services, SMaRT Station operation services, annual solid waste collection rate reviews, and other special analyses requested by the City. In addition, he has managed solid waste collection services procurements for several other agencies in California and Oregon.

### **Professional Organizations**

- American Institute of Certified Public Accountants

### **Recent Papers and Presentations**

- "Recent Improvements in California Recyclables Collection Efficiencies," Association of Oregon Recyclers 20<sup>th</sup> Annual Conference and Trade Show, September 11, 1998.
- "Proposition 218's Impact on Solid Waste Collection Rates," SWANA Western Regional Symposium, April 30, 1997.
- "Development, Issuance, and Evaluation of Request for Proposals," Santa Clara County Solid Waste Program Workshop, April 5, 1993.

### **Education and Professional Certification**

- Master of Accountancy, Brigham Young University
- B.S., Accounting, Brigham Young University
- Certified Public Accountant, State of California

## **Laith B. Ezzet, Senior Vice President**

### **Range of Experience**

Mr. Ezzet is a Certified Management Consultant and Senior Vice President of our Southern California solid waste consulting practice. Mr. Ezzet has 19 years of experience as an economist and solid waste consultant. He has assisted over 80 public agencies in California to plan, implement, and monitor their solid waste collection, recycling and disposal programs. During the course of these engagements, he has conducted more than 100 public workshops and public meetings for City Councils, Boards of Supervisors, and citizen advisory groups.



### **Relevant Professional Experience**

He has managed numerous procurement engagements for solid waste services contracts, including RFP preparation, proposal evaluation, and negotiation support. Examples of clients whom he has helped procure new solid waste services contracts include the cities of Bellflower, Beverly Hills, Cerritos, Imperial Beach, Indian Wells, Inglewood, Lake Forest, Lawndale, Manhattan Beach, Mission Viejo, Orange, Oxnard, Palm Desert, Rancho Palos Verdes, Rancho Santa Margarita, Riverside, San Bernardino, Santa Clarita, Tustin, West Hollywood, and others. The competitive procurements managed by Mr. Ezzet have saved public agencies more than \$160 million.

### **Professional Organizations**

- Solid Waste Association of North America (Corporate Director, Southern California Founding Chapter)
- California Resource Recovery Association (Past Director and Chapter Treasurer)
- Institute of Management Consultants
- Southern California Waste Management Forum

### **Recent Papers and Presentations**

- Moderator, "Managing Unique and Special Wastes," SWANA Workshop, September 9, 2004.
- "An Overview of Solid Waste Rates and Market Conditions in Southern California," presented to the San Gabriel Valley Council of Governments Solid Waste Committee, June 27, 2001.

- "Are the Trash Wars Over in Southern California?" presented at the Southern California Waste Management Forum, Pomona, May 2001.
- "Consolidation in the Southern California Waste Hauling Market: Effects on Rates, Services, Cities and Service Providers," presented at SWANA's 29th Annual Western Regional Solid Waste Symposium, Palm Springs, May 2000.
- "Solid Waste Services and the Purchasing Power of 100 Large Public Service Providers in North America," presented and published in the proceedings at WASTECON, Reno, October 1999.
- "How to Maximize Your Savings from Competitive Proposals for Contract Collection Operations," presented at SWANA's 3rd Annual Planning & Management Symposium, New Orleans, July 1999.

#### **Education and Professional Certification**

- M.B.A., Tuck School of Business Administration at Dartmouth College
- M.B.A., course work at the London Business School
- A.B., cum laude, Economics, Occidental College, Los Angeles
- Certified Management Consultant (CMC Professional Certification)

## **David Krueger, Senior Associate**

### **Range of Experience**

Mr. Krueger has 15 years of experience in the recycling and solid waste industry, with expertise in materials recovery facility design and management, transfer station operations, construction and demolition waste recycling, and organics processing. Mr. Krueger has nine years of public sector experience as a municipal recycling coordinator for the City of San Jose and nearly five years of private sector experience as the recycling manager at a transfer station/materials recovery facility. He has been involved in solid waste services procurements as both a customer and a vendor. Mr. Krueger's other areas of expertise include program design and implementation, contract development and management, collection and analysis of program data, AB 939 reporting, and recyclables market development.



### **Relevant Professional Experience**

Mr. Krueger helped to develop the diversion incentive and materials recovery facility agreement between the Alameda County Waste Management Authority and the Davis Street transfer station and materials recovery facility. He managed that agreement, as well as the daily operations of the Davis Street materials recovery facility and organics processing operation for five years. Mr. Krueger was a key contributor to San Jose's most recent RFP for residential solid waste services and to Waste Management's successful proposal to provide solid waste processing, transfer, and disposal services to the City of Alameda.

### **Professional Organizations**

- California Resource Recovery Association
- California Compost Coalition

### **Recent Papers and Presentations**

- "Markets for C&D Materials," CRRA Annual Conference, Los Angeles, 2005

### **Education and Professional Certification**

- B. A., History, Occidental College, Los Angeles

## **Lisa Keating, Senior Associate**

### **Range of Experience**

Lisa Keating, a Senior Associate with HF&H, has 16 years of financial and legal experience. Ms. Keating holds a Juris Doctor degree from Western State University, and a Bachelor of Arts in Economics from the University of California at Los Angeles. She has been a member of the State Bar of California since 1996. Her experience in the legal and financial fields includes negotiating and drafting contracts, drafting ordinances, and developing spreadsheet models.



### **Relevant Professional Experience**

Lisa has assisted the cities of Bellflower, Beverly Hills, Carlsbad, Lawndale, Manhattan Beach, Mission Viejo, Oxnard, Palm Desert, Rancho Palos Verdes, Rancho Santa Margarita, Riverside, Santa Clarita, Tustin, West Hollywood and Goodyear (Arizona), through the procurement process for new solid waste collection and recycling agreements. She has drafted both Requests for Proposals and Requests for Bids, as well as the related agreements. She has reviewed hauler proposals for solid waste collection, recycling and disposal services. Ms. Keating also prepared the Request for Proposals for the County of San Bernardino's procurement of an operations contractor for its transfer station and landfill system. She has developed a comprehensive 40-year economic model for Orange County's landfill system.

### **Recent Papers and Presentations**

- "Pain Free: Cities in California are Trying Contractor Friendly Methods to Promote C&D Recycling," C&D Recycler magazine, March/April 2002.
- "Construction & Demolition Debris Ordinance and Program Possibilities," presented at the California Resource Recovery Association Annual Conference, Pasadena, July 2001.
- "Construction & Demolition Debris: Diversion, Disposal & Reporting," presented at the San Gabriel Valley Council of Government's Workshop on the Disposal Reporting System, West Covina, February 2001.

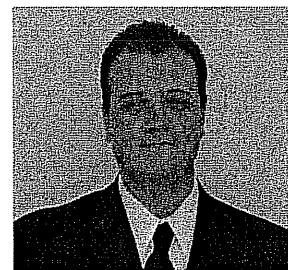
### **Education and Professional Certification**

- Juris Doctor, Law Review, Western State University, Fullerton, CA
- B.A., Economics, University of California at Los Angeles
- Member, California State Bar

## **Rob Hilton, Associate**

### **Range of Experience**

Rob Hilton, an Associate with HF&H, has more than three years of financial, programmatic, operational, and public policy experience with HF&H. Since joining HF&H, he has assisted in procurements, rate reviews, operations reviews, and vehicle impact analyses.



### **Relevant Professional Experience**

- Assisted in the competitive procurement of solid waste, recycling, and organics collection, processing, and disposal services for five municipalities including developing RFP and franchise documents, evaluating program and technical proposals, and preparing Council presentations.
- Is the primary evaluator in the procurement of design, build, and operate services for a high volume Construction, Demolition, and Inert Materials Processing Facility for the City of San Diego.
- Worked with Professors of Civil Engineering at the University of California's Berkeley and Davis campuses to understand pavement design and formulate the mathematical analysis for our vehicle impact model.
- Assisted 26 jurisdictions, tailoring the vehicle impact model to their unique conditions and estimating annual maintenance costs associated with refuse and/or construction vehicles.
- Has prepared annual AB939 reporting for three cities in the Bay Area.

### **Professional Organizations**

- Alameda County Waste Management Authority, Technical Advisory Committee
- Alameda County Waste Management Authority, C&D Working Group
- Solid Waste Association of North America (SWANA)

### **Education and Professional Certification**

- B.A., Political Science, Public Administration, University of California, Davis



## **Michael Roldan, Associate**

### **Range of Experience**

Since Mr. Roldan joined HF&H two years ago, he has been part of our procurement team. He has assisted the City of Petaluma and the City of Union City with the evaluation of cost proposals for collection and disposal services. Currently, he is assisting the City of San Diego with the evaluation of proposals for construction and demolition debris processing services. Mr. Roldan recently assisted the Marin Franchisor's Group in determining monetary and diversion-based incentives to be included in their contract extension agreement.



### **Relevant Professional Experience**

- Evaluated collection contractor's rate application for the City of Sunnyvale in 2005.
- Assisted in performing solid waste, recycling, and yardwaste collection service procurements including the preparation of RFP documents and the evaluation of cost proposals.
- Assisted in performing rate and compensation reviews that have involved determining proper compensation for franchise haulers for more than 20 cities and counties in the San Francisco Bay Area.
- Maintains the HF&H database of benchmark collection costs. The benchmarking database includes costs received from 19 collection company proposals in response to request for proposals issued by ten cities in the Bay Area.
- Assisted in the audit of various union district offices, including those belonging to the International Brotherhood of Teamsters, Sheet Metal Workers International Association, and the International Brotherhood of Machinists and Aerospace Workers.

### **Education and Professional Certification**

- B.S., Business Management Economics, University of California, Santa Cruz

# SECTION 4

## REFERENCES



Johnston, Gremaux & Rossi, LLP

CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2002

Hilton Farmkopf  
2173 N. Califa  
Walnut Creek,

To the Partner

In August 2002  
compile the ref  
below. This le  
reports our fin

Procedures:

Johnston  
client's

Hilton, Farmkopf & Hobson, LLC  
September, 17, 2002  
Page 2

### Findings:

100% of the respondents either strongly agreed or somewhat agreed with the statements that  
"HF&H staff were professional, experienced, and well qualified."

100% of the respondents either strongly agreed or somewhat agreed with the statements that  
"HF&H staff understood my unique requirements."

100% of the respondents either strongly agreed or somewhat agreed with the statements that  
"HF&H staff were responsive to my needs and inquiries."

100% of the respondents either strongly agreed or somewhat agreed with the statements that  
"HF&H presentations were effective and well organized."

91% of the respondents either strongly agreed or somewhat agreed with the statements that  
"HF&H provided good value for my consulting dollar, relative to other consultants."

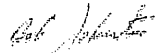
100% of the respondents either strongly agreed or somewhat agreed with the statements that  
"they would hire HF&H again."

100% of the respondents either strongly agreed or somewhat agreed with the statements that  
"they would recommend HF&H's services to another jurisdiction with similar needs."

Should you have any questions concerning these findings, please do not hesitate to call.

Sincerely,

JOHNSTON, GREMAUX & ROSSI, LLP

  
Robert A. Johnston, CPA  
Partner



## SECTION 4 REFERENCES

In this Section, we present a summary of projects we completed for the City of Sunnyvale. Our long-term relationship with the City is our best reference. We also provide descriptions of six other similar projects we performed and client reference information so that you can check our success working with other jurisdictions.

The Sunnyvale RFP 2000 and the current SMaRT Station operating agreement, which we prepared, serve as the most relevant samples of our work. We provide in Appendix C, as requested by the City's RFP, a work product sample from the City of Oxnard Request for Proposals for Operation and Maintenance of the Del Norte Regional Recycling and Transfer Station. The City's RFP requested the table of contents and executive summary; however, our RFP documents do not contain an executive summary so we provided Section 1 of the RFP.

### **Project History with Sunnyvale**

*Our long-term  
relationship with  
the City is our  
best reference*

HF&H established a working relationship with Sunnyvale in 1989. Since that time we have assisted the City with over a dozen engagements including management of the RFP 2000 SMaRT Station operator selection process, and management of the 1990 RFP process for selection of the City's collection contractor. The table below summarizes our past experience serving Sunnyvale in chronological order. This experience will allow us to begin the RFP 2006 project with a solid understanding of the existing collection, processing, and disposal conditions in Sunnyvale, and established relationships with City staff.

Year	Type of Service	Description
1989 - 1990	Collection procurement	Assisted in the preparation of a solid waste collection, recycling and household hazardous waste RFP for a ten-year franchise. We developed a rate review methodology and performance standards (including liquidated damages); drafted the franchise agreement; drafted the RFP documents; performed a financial analysis of proposals; and assisted in preparation and negotiation of a contract.

Year	Type of Service	Description
1992	Rate manual	Developed a solid waste rate regulation procedures manual for use by both the City and the collection company establishing procedures for the company's application and the City's review of the company's compensation for solid waste collection and recycling services.
1992	Franchise assignment	Assisted with the assignment of the franchise agreement from Specialty Solid Waste and Recycling to Bay Counties Waste Services.
1993	Franchise agreement revision	Assisted with the negotiation of a revised franchise agreement between the City and Bay Counties Waste Services.
1993, 1994, 1997, 2000	Cost-of-service model	In 1993, HF&H conducted a cost-of-service study for residential and commercial collection service that resulted in development of a cost-of-service model. Over the years, we updated the model to allocate the hauler's cost of service among residential, commercial and debris box sectors, and among individual customers.
1996	Merger financial analysis	Performed a due diligence financial review of a proposed assignment of the City's collection franchise to an acquiring company.
2000	SMaRT Station operator procurement	HF&H managed the RFP 2000 operator selection process that resulted in a \$3.3 million annual savings. We prepared the RFP and agreement, evaluated proposals, and assisted in contractor selection and negotiations.
2002	Contract extension proposal	Assisted the City in negotiating an extension to its franchise agreement.
Annually, from 1994 to 2005	Annual compensation review	HF&H assisted the City with its annual review of Bay Counties Waste Services' contractor payment application. The engagements have involved a detailed review of revenues and expenses as well as various aspects of the company's operations.

### **Similar Project Work with Other Jurisdictions**

*From Among  
More than 100,  
Six Directly  
Related  
Engagement  
References*

HF&H has conducted more than 100 competitive contractor selection procurements and sole-source contract negotiations over the past five years. In this section, we highlight six projects that are most similar to Sunnyvale's project. Furthermore, in Appendix D, we provide additional project descriptions and references for several other procurement projects. We would be pleased to provide you more information regarding any of these client engagements.

City of Oxnard -  
Transfer  
Station/MRF  
Operator  
Procurement

Client	City of Oxnard
Date Completed	February 2005
Contact Information	Grant Dunne Management Analyst III City of Oxnard Solid Waste Division (805) 385-7956
HF&H Professional	Laith B. Ezzet, CMC, Engagement Director; Lisa J. Keating, Engagement Manager
Engagement	HF&H prepared an RFP and agreement for the operation and maintenance of the City's Del Norte Regional Recycling and Transfer Station. The City requested that the RFP be completed within three weeks. During these three weeks, we requested and reviewed all related documentation, including the operations and maintenance manual. We delivered the RFP on time.
Similarity to Sunnyvale	The RFP prepared for Oxnard was developed to solicit proposals for operations and maintenance of a recycling facility and transfer station.
Achievements	Met City's short deadline for completion

County of San  
Bernardino –  
Landfill and  
Transfer Station  
Operator  
Procurement

Client County of San Bernardino	
Date Completed	April 2001
Contact Information	Don Casalman Supervisor Administrative Services II County of San Bernardino Department of Public Works Solid Waste Management Division (909) 386-8720
HF&H Professional	Laith B. Ezzet, CMC, Engagement Director; Lisa J. Keating, Engagement Manager; Robert D. Hilton, Advisor
Engagement	<p>HF&amp;H assisted the County of San Bernardino in procuring a new disposal system operator for its system of 6 landfills and 13 transfer stations. The County had concerns regarding the current structure of system operations, and the need to increase system tonnage or otherwise increase net revenue to the system.</p> <p>We were initially hired to:</p> <ul style="list-style-type: none"> <li>• Evaluate the disposal system and recommend possible restructuring</li> <li>• Prepare the RFP for the operation of the system</li> <li>• Conduct the procurement process</li> <li>• Negotiate the final agreement</li> </ul> <p>Due to the success of the procurement and the County's satisfaction with our work, the County promptly retained HF&amp;H for additional projects, including:</p> <ul style="list-style-type: none"> <li>• Negotiating a rate for additional system tonnage to be received from the successful proposer</li> </ul>

County of San  
Bernardino –  
Landfill and  
Transfer Station  
Operator  
Procurement

Client	County of San Bernardino
	<ul style="list-style-type: none"> <li>Developing a financial model to track the financial impact of tip fee strategies, tonnage shifts, and other system costs on revenue, closure and post-closure funding and other funding needs</li> </ul>
Similarity to Sunnyvale	The project involved the same scope of services requested by Sunnyvale (e.g., assessing needs, preparing an RFP, evaluating proposals, and negotiating an agreement for facility operations).
Achievements	<ul style="list-style-type: none"> <li>\$3.8 million annually in overall system savings</li> <li>300,000 additional tons to be received annually through operator to increase system profits</li> <li>Flexible compensation structure that adapts for facility closures and tonnage changes without need to re-negotiate the competitively procured rates</li> </ul>



City of San  
Diego -  
C&D Operator  
Procurement

Client	City of San Diego
Date Completed	On-going
Contact Information	Stephen J. Grealy Supervising Recycling Specialist City of San Diego (858) 573-1275
HF&H Professional	Robert D. Hilton, CMC, Engagement Director; Rick Simonson, Engagement Manager; Michael Roldan, Analyst; and Robert C. Hilton, Analyst
Engagement	HF&H is assisting the City of San Diego's Environmental Services Department in the procurement of a contractor to design, build, and operate a construction, demolition, and inert processing facility located at the City-owned landfill. The process includes preparing an RFP, evaluating proposals, assisting with contractor selection, and negotiating the franchise agreement. The processing facility is anticipated to be completed in three phases: Phase I is designed to process up to 300 tons per day; Phase II is designed to process up to 800 tons per day; and, Phase III is designed to process up to 1,500 tons per day. We are nearing the end of the contractor selection process and will commence negotiations shortly.
Similarity to Sunnyvale	The procurement process involved preparing an RFP and agreement encompassing facility operations and maintenance matters and compensation, with an emphasis on creating diversion incentives.
Achievements	Flexible, three-phased compensation mechanism that adapts to anticipated tonnage changes and the fluctuating needs for processed materials that will be used on-site at the City-owned landfill.

SBWMA –  
Transfer Station  
and Recycling  
Facility  
Operating  
Contract  
Negotiations

<b>Client</b>	<b>South Bayside Waste Management Authority (SBWMA)</b>
<b>Date Completed</b>	2000 and 2005
<b>Contact Information</b>	Lisa Costa-Sanders Administrative Officer SBWMA – City of San Carlos (650) 802-4292
<b>HF&amp;H Professional</b>	Robert D. Hilton, CMC, Engagement Director
<b>Engagement</b>	HF&H assisted the SBWMA with negotiation of an operating agreement for the transfer station and recycling facility in San Mateo, which is owned by the SBWMA.
<b>Similarity to Sunnyvale</b>	The SBWMA transfer station and recycling facilities process: 321,000 tons per year of solid waste; 86,000 tons per year of organic waste; divert 26,000 tons per year of material delivered to the transfer station and process 67,000 tons per year of source-separated recyclable materials at the recycling facility.
<b>Achievements</b>	In 2000, HF&H assisted with the acquisition of these facilities and the renegotiation of the operating agreement. Since then: <ul style="list-style-type: none"> <li>• The percentage of diversion of material delivered to the transfer station has increased from 17% to 25%.</li> <li>• The tonnage of source-separated recyclables processed at the recycler has increased from 61,000 tons per year to 67,000 tons per year (a 10% increase) or 2% annually.</li> </ul>

SBWMA -  
Transfer Station  
and Recycling  
Facility  
Operating  
Contract  
Negotiations

Client	South Bayside Waste Management Authority (SBWMA)
	<ul style="list-style-type: none"><li>• The average revenue per ton has increased from \$87 per ton to \$147 per ton in 2004.</li><li>• The per ton disposal rate has increased from \$66 per ton to \$67.50 per ton in 2004 (an average annual increase of less than 0.5% annually).</li></ul>

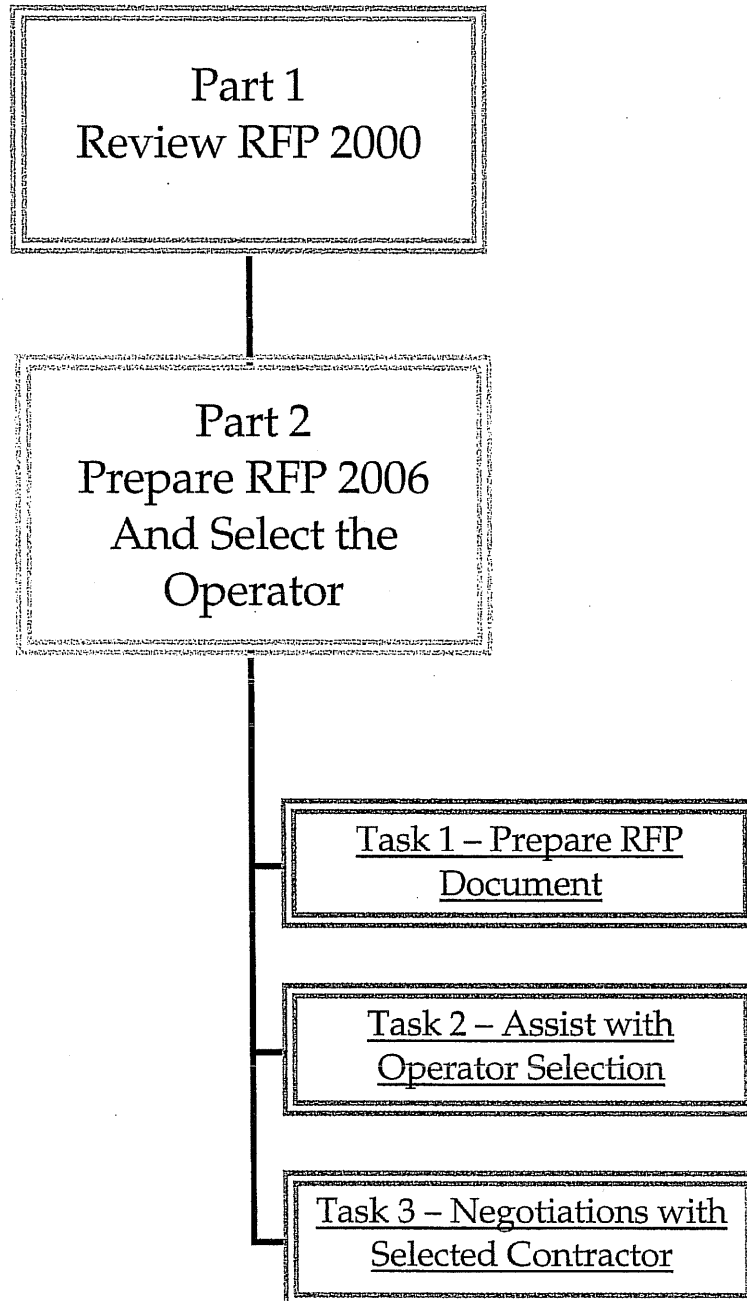
City of  
Sacramento -  
Transfer Station  
and Recycling  
Facility Operating  
Contract  
Negotiations

Client City of Sacramento	
<b>Date Completed</b>	1997
<b>Contact Information</b>	Reina Schwartz General Services Director City of Sacramento (916) 808-7195
<b>HF&amp;H Professional</b>	Robert D. Hilton, CMC, Engagement Director
<b>Engagement</b>	HF&H assisted the City of Sacramento in its negotiations with BFI and BLT Enterprises for material recovery, transfer, and disposal services.
<b>Similarity to Sunnyvale</b>	Negotiations addressed facility operating and maintenance issues including diversion.
<b>Achievements</b>	Negotiated an agreement with BLT Enterprises.

# SECTION 5

## PROJECT APPROACH

---



## SECTION 5 PROJECT APPROACH

This section contains a description of our project understanding and our method for completing each task in the project scope of work. It reflects our understanding of the City's needs based on the scope of services as presented in the RFP.

### **Project Understanding**

We have prepared this proposal with the understanding that the City wishes to retain a consultant to assist with the management of a competitive procurement process to select an operator for the SMaRT Station. The competitive selection process is to result in the award of an operating agreement to the selected operator by December 6, 2006 and commencement of the operations on January 1, 2008.

In this section, we discuss our understanding of the project with regard to the following:

- SMaRT Station Functions
- City's Goals and Objectives
- RFP 2000 as Foundation
- RFP 2006 Considerations
- Process Control
- Evaluation Process Integrity
- Consultant's Role

### **SMaRT Station Functions**

The SMaRT Station plays an integral role in the integrated waste management system for the Cities of Mountain View, Palo Alto, and Sunnyvale.

- It serves franchise haulers of the three cities, self haulers, residents, and businesses.
- The facility accepts solid waste and removes recyclable materials from the mixed waste.
- It processes recyclables and yard waste picked-up through curbside collection programs.

- The SMaRT Station includes a Public Recycling Center where residents and businesses can drop off a wide variety of recyclable materials and collect California Redemption Value (CRV) for some types of containers.
- It provides a drop-off center for hazardous materials, designated materials, and e-scrap such as fluorescent light bulbs and tubes, household batteries and rechargeable batteries, mercury thermometers and thermostats, needles, syringes, televisions, and computer monitors.
- Sunnyvale residents can deliver extra trash on designated "dump weekends" at no charge.

The diversion activities contribute to each of the SMaRT Station cities' AB 939 diversion requirements, and benefit the environment through the processing of recyclables and yard waste for reuse or remanufacturing, and the safe management of hazardous materials.

### **City's Goals and Objectives**

Furthermore, we recognize that the City's key objectives include, but are not limited to:

- Encouraging increased diversion activities through incentives or innovations.
- Planning for or establishing a system for handling major changes during the term of the future operating agreement.
- Performing the procurement process in a well planned and executed manner which anticipates and attempts to prevent or mitigate potential controversies that may discredit the process and ultimately the City.
- Completing the project in accordance with the City's established time line.
- Use the direction provided in the Solid Waste Sub-element of the General Plan as guidance.

### **RFP 2000 as Foundation**

HF&H recognizes the City's interest in using the RFP 2000 and current operating agreement (which HF&H prepared) as a starting point or template for initiating the project and amending the documents, as appropriate, to reflect changes needed for planning for future conditions and improving contractor performance. We support this approach because: (1) We understand that the City staff are quite pleased with how

this agreement has worked; (2) This approach will reduce costs; and (3) Using terms and conditions common to the RFP 2000 will facilitate City staff's review of the new RFP and contract because staff is familiar with the terms and conditions.

HF&H will update these documents to reflect the following types of considerations:

- The City's current goals and objectives such as increasing diversion, planning specifically for the future, and cost-effectively contracting for services.
- Improvements or lessons learned from the prior contractor selection process and through the administration of the existing operating agreement.
- Current conditions of the industry and market place in which companies are focused on securing contracts with higher rates of returns and attractive risk allocation.

### **RFP 2006 Considerations**

The City has gained tremendous experience identifying an operator through its efforts in 1992 and 2000. Furthermore, the City has worked with two SMaRT Station operators over the years. It has learned what works and doesn't work in the contractual arrangements. The historical tonnage, diversion, operating, and financial data provide documentation of what is working and opportunities for improvement. The City's experienced combined with HF&H's direct experience working on Sunnyvale projects and on similar projects for many other clients have prepared us to identify key considerations that will need to be addressed in preparing the RFP 2006 and selecting an operator. Such considerations include, but are certainly not limited to the following:

- Diversion - Identifying methods to improve diversion including, but not limited to, restructuring or replacing the existing financial incentives and/or introducing new incentives. Adjusting the contractual diversion incentive provision to reflect expected performance of new material recovery equipment. Defining the extent to which diversion accomplished through alternative daily cover is allowed or counted.
- Innovation - Creating an RFP provision and/or contractual incentive to encourage the selected operator to develop innovative methods for diversion and cost saving measures. For example, the SBWMA collection agreement has a mechanism that allows the contractor to share in the financial benefit of cost saving measures they introduce.



Sunnyvale may consider a similar concept in which operator-proposed diversion innovations and/or cost savings (such as processing equipment modifications or adjustments in operating methods) are rewarded with some type of financial benefit (e.g., sharing the savings over time).

- Performance - Managing operator performance through pre-defined performance standards related to facility operations such as the maximum vehicle turnaround time, minimum and maximum tonnage of transfer truck loads, hours of operation, complaints, noise, litter control, etc.
- Future needs - Discussing and planning for minor and major changes that are expected to occur during the seven-year term of the new operating agreement such as:
  - Palo Alto's zero waste plan, which may result in a reduction of solid waste tonnage.
  - Palo Alto's landfill and composting facility closure, which will result in an increase in solid waste and organic tonnage handled by the SMaRT Station.
  - Equipment improvements and replacements (defining what role the City and operator play in design, procurement, installation, start-up testing, and financing).
  - Implementation of food waste collection programs as many other Bay Area communities have done, which may require revisions to the SMaRT Station permit or use of a different composting site.

Depending on the types of changes anticipated over the term of the new operating agreement, the RFP may be structured to request cost proposals for different throughput levels (to address changes resulting from Palo Alto's actions), or to reflect diversion and cost differences between the existing processing equipment and new processing equipment. Contractual terms will be developed in the operating agreement to outline procedures for responding to future conditions and adjusting costs and diversion levels as appropriate.

- Risk allocation - Examining risk factors and assigning risk to contractor where it is logical, is not likely to result in significant increased costs, is not likely to discourage companies from proposing, and when it benefits the City.
- Process control - Anticipating proposers' tactics in promoting their proposals and potential methods for minimizing such tactics (union, council, press, unsolicited revised proposals, negotiating at the

podium). Later in this section we provide some suggestions for managing the process by establishing guidelines for proposers and code of conduct for the City; and, in Section 7, we present contingency measures for the project schedule.

- Evaluation process integrity - Establishing a competitive procurement process that results in selection of the SMaRT Station operator in a fair, well-documented, defensible, and objective manner, which the public, Council, and proposers respect. Later in this section we outline some methods of evaluating proposals to establish integrity.
- Labor relations and prevailing wage - Prior to issuance of the RFP, adopting a City Council policy with regard to prevailing wage and hiring existing SMaRT Station employees can eliminate confusion for proposers, satisfy union representatives, and put cost proposals on the same basis. In addition, discussing the competitive operating section process with union representatives at several points in the process can help manage the union politics by learning about and responding to their concerns.
- Three cities' needs - Addressing the needs not only of Sunnyvale but also of Mountain View and Palo Alto and involving them in the process to some extent.

### **Process Control**

Communities are typically concerned with how to manage the politics of a competitive procurement process. We have found that establishing guidelines to set ground rules for companies interested in proposing can be helpful. While the City of Sunnyvale did not establish formal process guidelines when the RFP 2000 process was conducted, it is an action the City may want to consider for the RFP 2006 process. We have recently started encouraging Councils to consider adopting process guidelines to be signed by prospective proposers when they register as interested parties. The process guidelines can include policies such as:

- Prohibiting some forms of proposer interaction with Council (e.g., one-on-one meetings with individual Council members or political contributions).
- Prohibiting interaction between proposers (e.g., collusion). Such guidelines can be useful in managing "behind the scenes" efforts of companies.
- Restricting distribution by proposers of information about the procurement or their proposal to residents, businesses, or community at any time during the process.

In addition, we recommend that the City adopt a code of conduct for the process. For example, we work with communities to establish the following types of policies:

- Informing City staff and elected officials of potential conflict of interests and asking them to review their investments and other relationships.
- Prohibiting contributions to elected officials by potential proposers and disclosing all past contributions.
- Describing potential problems (lobbyists, petition campaigns, union actions, etc.) to City staff and elected officials and methods for handling them.
- Prohibiting non-public meetings or conversations with interested parties and individually elected officials.

### **Evaluation Process Integrity**

During the planning phase, we will work with the City to establish an evaluation process that best meets its needs. We encourage clients to establish clear, pre-defined evaluation criteria in the RFP by which the proposals will be evaluated, but to refrain from binding themselves to a particular outcome other than the best interest of the City. For example, we will present three or four types of evaluation methods for the City's consideration and assist the City in deciding which method fits best. Examples of evaluation methods we will consider include:

- Numerical scoring and ranking of proposals based on pre-established criteria and weighting of such criteria for qualifications, technical, and financial capabilities and cost proposals. This is the process the City successfully used to evaluate RFP 2000 proposals
- "Blind" evaluations where the selection committee has stipulated evaluation criteria but receives information regarding the proposals without identifying the proposer.
- "Double-blind" evaluations where both the weighting of the criteria and the proposer are unknown to the evaluator.
- Side-by-side comparison of each proposal's strengths and weaknesses and cost impacts that do not involve a numerical rating of proposals.

### **Consultant's Role**

The selected consultant's role in the project would include:

- Preparing an RFP for operation of the SMaRT Station including a draft operating agreement.
- Evaluating proposals received and assisting the City with operator selection.
- Assisting the City with negotiations of the operating agreement with the selected operator.

The chart on the section divider for this Section 5 presents the key tasks included in our scope of services. They are organized into the two phases identified in the City's RFP:

- Part 1, Methodology for Conducting a Review of RFP 2000 and Associated Files, and
- Part 2, Methodology for Preparing the RFP 2006 and Selecting the New Operator.

### **Methodology for Part 1 – Reviewing RFP 2000**

Commencing the project with examination of the RFP 2000, the current operating agreement, and historical operating information will provide an understanding needed to begin the planning process for the RFP 2006. Our approach to conducting these tasks is discussed below.

*Task a: Review of RFP 2000.* HF&H is in an ideal position to start this project because HF&H prepared the RFP 2000 and the current operating agreement. We have a full understanding of the RFP 2000 and an archive of associated project work papers.

David Krueger reviewed these files as part of this proposal preparation process to provide a "fresh" look at our past efforts and, therefore, does not need to do so if we are the selected consultant. David Krueger identified a few areas in the RFP 2000 package that the City may want to consider changing to improve diversion results and financial control. For example, he suggests:

- Examining the advantages and disadvantages of having the City or the operator accept responsibility for payment of disposal costs because it may be advantageous to require the operator to pay disposal costs and therefore benefit from any savings resulting from diversion.

- Exploring various revenue sharing alternatives to determine if the existing method is appropriate or if an alternative method, such as providing per-ton incentives for diversion of the historically hard-to-divert materials, will provide increased diversion incentives.
- Strengthening the requirements of the maintenance section to detail more clearly the operator's obligation.
- Reviewing the events for which liquidated damages are levied and the amounts of liquidated damages and revising the terms to best fit the City's current and future needs.

*Task b: Understanding Historical Conditions.* To form an understanding of the historic waste flow, diversion results, and financial conditions, HF&H will prepare a letter to the City requesting operational and financial information that is readily available from the City's records and reports. Upon receipt of this data, HF&H will review the materials to become familiar with the historic trends and any unusual occurrences.

*Task c: Kick-Off Meeting.* Bob Hilton and Tracy Swanborn plan to meet with the City staff to kick-off the project. At the kick-off meeting, we will discuss City staff's perspective of the RFP 2000 documents and contractor selection process to hear staff likes and dislikes, lessons learned, and concerns about the future operator selection process and operating agreement. We will also present our suggestions for improvements to the RFP 2000 based on the review we just completed of the documents, input from our Advisory Team, and our experience with other similar projects.

At this meeting, we will review the approach to the RFP 2006 operator selection process and the project schedule. We will discuss key issues such as those RFP 2006 considerations listed in the beginning of this section, and plan the next steps in the process.

*Deliverables:* HF&H will prepare a letter requesting historical operating and financial information from the City. We will also prepare a meeting agenda, and a list of key issues to discuss at the kick-off meeting. After the kick-off meeting, HF&H will summarize the discussion points in a memo to the City.

## **Methodology for Part 2 – Preparing RFP 2006 and Selecting the Operator**

Part 2 of the SMaRT Station operator selection process involves three tasks as identified in the City's RFP:

- Task 1 – Preparation of RFP 2006

- Task 2 – Assistance with Operator Selection
- Task 3 – Negotiations with Selected Operator

These tasks are described below.

### **Task 1 – Preparation of RFP 2006**

Task 1 covers planning the procurement strategy and preparing the new RFP package.

*Improving the  
Quality of  
Service,  
Increasing  
Diversion,  
Controlling  
Costs and  
Better  
Contract  
Management  
Tools*

**Task 1a – Plan the Competitive Procurement Process.** Conducting a competitive procurement for the SMaRT Station operator provides the City an opportunity to examine current services and contractual terms, and make changes to improve the quality of service, increase diversion, control the cost of service, plan for future events, and ease contract administration. This is a critical step in the process. The decisions made at this stage will define the scope of services and performance obligations over the term of the future operating agreement.

We will use the kick-off meeting described in Part 1 to begin the discussion about key issues and have a second meeting as part of this Task 1a to finalize the procurement approach. The goals of the planning process will be to work with the City staff to:

- Confirm the City's goals and objectives for the project;
- Understand current issues related to the existing operating agreement;
- Determine what changes to the RFP 2000 will be made;
- Confirm that guidance provided by the Solid Waste Sub-element of the General Plan is considered;
- Establish what performance standards are to be specified;
- Review how compensation incentives and liquidated damages can be used to support the performance standards;
- Work with the City to establish an evaluation process that best meets its needs so that the process and criteria can be presented in the RFP 2006. We presented several evaluation strategies in the project understanding discussion at the beginning of this Section 5; and,

- Address other RFP 2006 considerations discussed in the project understanding portion of this Section 5.

During this task, Tracy Swanborn will consult the HF&H Advisory Team in the planning process drawing on Scott Hobson, Laith Ezzet, and Lisa Keating's experiences and recommendations. If the City thinks it is appropriate, HF&H will contact Palo Alto, Mountain View, union representatives, and GreenTeam/Zanker of Sunnyvale to discuss their concerns and interests. These discussions may help to flush out matters that need to be considered in the RFP 2006 and future operating agreement.

*Deliverables: HF&H will prepare a meeting agenda and a list of key issues to discuss at the kick-off meeting. After the kick-off meeting, HF&H will summarize the discussion points in a memo to the City.*

**Task 1b - Develop Process Guidelines and Code of Conduct.** We encourage the Council to consider adopting process guidelines to be signed by prospective proposers with regard to the City's policies prohibiting some forms of proposer interaction with Council (e.g., one-on-one meetings with individual Council members or political contributions) and prohibiting interaction between proposers (e.g., collusion). Such guidelines can be useful in managing "behind the scenes" efforts of companies. In addition, we recommend that the City adopt a code of conduct for the process. We will provide a list of guidelines for the City's consideration and will be pleased to discuss with staff the appropriateness of such policies.

*Deliverables: HF&H will provide draft Process Guidelines for proposers and draft Code of Conduct. If the City wants to pursue adoption of such measures, HF&H will incorporate their comments and produce a final version of the Process Guidelines and Code of Conduct.*

**Task 1c - Draft RFP 2006.** The RFP document that is distributed to potential proposers is very important to the competitive procurement process. If the document is unclear or overly complex, proposers may decide not to propose (reducing the competitiveness of the process) or respond incorrectly (resulting in an inefficient process of correcting those errors). Because of the number of procurement projects we have performed statewide, we have been able to refine our procurement documents to be clear and straightforward. The companies in the Bay Area who are likely to propose in this competitive process and most others around the state are very familiar with our competitive procurement documents and can respond to them in a timely and accurate manner.

Tested  
Competitive  
Procurement  
Documents

We will draft the RFP 2006, which will include proposal forms and an operating agreement, using the RFP 2000 documents as a starting point.

The RFP will include, but may not be limited to, the following sections:

Section 1 - Introduction

- Overview of the RFP
- Organization of RFP
- City's Goals and Objectives
- Rights Reserved by the City
- General RFP Agreements
- Process and Schedule
- Reimbursement of Procurement Costs

Section 2 - Description of Current and Historical Conditions

- Background
- Description of SMaRT Station Site, Design, and Equipment
- Historical Operational Statistics (such as tonnage in and out, diversion level, revenues, and operating expenses)
- Waste Quantities and Composition Information
- Current Disposal Rates
- Current Solid Waste Planning Information

Section 3 - SMaRT Station Operation

- General Operating Information
- Material Processing Operations
- Transfer Hauling Operations
- Equipment and Facility Operation and Maintenance
- Disposal Arrangements
- Recycling Center
- Hazardous Materials Drop-Off
- Hazardous Materials Exclusion Program
- Sale or Transfer of Recyclable Materials
- Operation Performance Guarantees
- Performance Bond
- Environmental Procurement Policy

Section 4 - Proposed Business and Financial Arrangements

Section 5 - Proposal Submittal Process

- Step One - Written Questions
- Step Two - Pre-Proposal Conferences



Step Three – Proposal Submittal Instructions

Step Four – Clarification of Proposal Information

Section 6 - Proposal Requirements and Format for Submittal

Section 7 - Proposal Evaluation Process and Criteria

*Comprehensive  
Proposal Forms*

Proposal forms will be prepared and provided as part of the RFP, and in electronic format for the proposers' use. We will use the proposal forms from the RFP 2000 as a starting point and modify those forms to address the needs of RFP 2006. The proposal forms will be designed to solicit the following types of information from proposers:

- Qualifications of company and experience
- Detailed project experience
- Project team structure and resumes
- Financial statements
- List of personnel and subcontractors
- Proposal security bond
- Description of health and safety plan
- List of rolling stock to be furnished by company
- Annual operating cost
- Proposed tipping fee
- Materials recovery guarantee
- Materials recovery and marketing plan
- Anti-collusion affidavit
- Pending litigation
- Exceptions to proposed operating agreement
- Identification of surety

Also, as part of the RFP, Ms. Swanborn will develop a draft operating agreement for review by the City attorney. The operating agreement, which will be based on the current agreement, will contain, but may not be limited to, the following sections:

- Recitals
- Definitions
- Term of agreement
- Operation of transfer station

- Transportation of solid waste for disposal and recyclable material to market
- Compensation to contractor
- Payments to City
- Indemnity, insurance, and bond
- Representations and warranties of contractor
- Defaults and remedies
- Other agreements of the parties
- Records, reports and information requirements
- Exhibits

Tracy Swanborn with assistance from David Krueger and Rob Hilton will draft the RFP, and Bob Hilton will review the RFP package. In addition, Scott Hobson and Laith Ezzet, members of our Advisory Team, will review the RFP package. The documents will then be submitted to City staff for review and comments.

*Deliverables: Draft RFP including proposal forms and operating agreement.*

**Task 1d: Finalize RFP 2006.** We will incorporate the City's comments and requested changes to prepare a final RFP package to issue to companies interested in proposing.

*Deliverables: Final RFP including proposal forms and operating agreement. These documents will be provided in electronic form for distribution to prospective proposers, and at the City's request, in hard copy.*

**Council Approval  
of RFP**

**Task 1e: Present RFP to Council for Approval (OPTIONAL TASK).** At the City's option, Tracy Swanborn will attend a City Council meeting at which the RFP is presented for approval, and respond to Council questions. Prior to the meeting, she will review the City-prepared staff report and presentation. (Note that preparing for and attending this Council meeting is listed as an optional task in our cost proposal.)

*Deliverables: Comments on the City-prepared staff report and presentation.*

**Task 2 – Assistance with Operator Selection**

An objective and thorough review of proposals and award of the operating agreement is central to the integrity of the competitive procurement process. This review process commences with assurance that the proposals have complied with the process. It includes an opportunity for companies to present and clarify their proposals in response to inquiries of the substance of their technical and cost proposals. An unbiased evaluation of the proposals, in a manner

consistent with the City's stated goals and objectives, is the essence of the integrity of the review process. The thoughtful consideration, by the City Council, of the proposals and the staff's evaluation, in its award of the operating agreement is the final step in the integrity of the process.

Task 2 includes several activities described herein.

- Task 2a – Prepare list of potential proposers and issue RFP
- Task 2b – Facilitate two pre-proposal conferences
- Task 2c – Evaluate proposals
- Task 2d – Participate in proposer interviews
- Task 2e – Participate in site visits (optional)
- Task 2f – Summary Report
- Task 2g – Proposer Presentations to Council (optional)
- Task 2h – Attend City Council meeting

We will work collaboratively with the City staff to the extent the staff is interested in assisting with the evaluation process.

***Task 2a – Prepare List of Potential Proposers and Issue RFP.*** HF&H will develop a list of potential proposers based on our knowledge of companies in the region (Allied Waste Industries, GreenTeam/Zanker, Norcal Waste Systems, Republic Waste Services, and Waste Management) as well as companies elsewhere in the state such as North Bay Corporation, Burrtec, and BLT Enterprises. We will expand the list to include our contacts for companies outside the region. The list will include contact names, addresses, phone numbers, and e-mail addresses.

HF&H will draft a public notice announcing the RFP to be: (i) mailed to the list of potential proposers, and (ii) published in industry trade journals. (We can provide recommendations for publication outlets, as well as their lead time and costs.) We suggest that interested parties be required to request in writing to be placed on the list of interested parties that will receive future communications and notifications related to the SMaRT Station contractor selection process. The task of developing a list of interested parties will be performed during Task 1 when the RFP is being prepared.

HF&H staff is prepared to be responsible for issuing the approved RFP to the list of interested parties. In addition to offering hard copies and computer disks containing the RFP, we will post the RFP (and relevant electronic files) on our website to facilitate distribution to the companies, and would be glad to establish a link between the City's website to our

own to facilitate access to the RFP. Alternatively, the City's Purchasing Division can handle distribution of the RFP package.

*Deliverables: List of potential proposers' contact names and addresses and public notice announcing RFP.*

**Task 2b – Facilitate Two Pre-Proposal Conferences.** Approximately two or three weeks after the RFP is issued, HF&H will facilitate two pre-proposal conferences to educate the prospective proposers and respond to their questions. We will prepare a presentation for the pre-proposal conferences to present the City's objectives, an overview of the RFP, the proposal form requirements, and the key terms and conditions of the operating agreement. During the pre-proposal conferences, HF&H will keep meeting minutes, and provide copies of such minutes to the City afterwards.

Following the two conferences and any subsequent submittal of written questions by prospective proposers, we will assist the City in preparing a written response to all questions and addenda to the RFP package. We will distribute the written responses and addenda to interested parties through our website (if the City's Purchasing Division does not handle the distribution).

*Deliverables: HF&H will prepare meeting agendas and a brief presentation for the pre-proposal conferences. After the meetings, we will provide meeting minutes and written responses to proposers' questions and addenda to the RFP package.*

**Task 2c – Evaluate Proposals.** Under the direction of Ms. Swanborn, the HF&H evaluation team of David Krueger, Mike Roldan, and Rob Hilton, will review the proposals as follows:

- Confirm compliance with RFP requirements in terms of the date and time of submittal, adequacy and completeness of copies, inclusion of required proposal information.
- Confirm logical consistency of proposals by performing a substantial review of the proposals to ensure that the technical and cost proposals are logically consistent and that the cost proposals are mathematically accurate.
- Examine competitiveness of proposals by comparing the proposals to one another as well as to the current operator (if applicable). At this point, the HF&H evaluation team will summarize the proposals in table format allowing easy comparison of the key proposal elements.

*Compliance,  
Accuracy, and  
Consistency*

*Competitiveness  
of Proposals*

- Evaluate proposal using evaluation criteria established by the City and contained in the RFP to score and rank proposals. Generally, this criterion includes, but may not be limited to:
  - Compliance and responsiveness to the RFP;
  - Qualifications including: experience; references; litigation and regulatory history; and financial ability;
  - Quality of proposal and technical approach including: reliability of approach/ technology; experience with approach/technology; efficiency; and, effectiveness;
  - Material recovery guarantee(s), with consideration to extent of diversion that relies on ADC;
  - Number and nature of exceptions to the draft operating agreement; and,
  - Reasonableness and competitiveness of cost proposal.

*Written  
Summaries,  
Assessments, and  
Comparisons*

Our findings will be documented in brief written assessments and comparisons of the proposals as well as written requests for clarification from the proposers, if necessary, which will be reviewed by Bob Hilton, Scott Hobson, and Tracy Swanborn.

Bob Hilton and Tracy Swanborn will present HF&H's written assessments and comparisons of the proposals to City staff at one meeting. During that meeting, Bob Hilton and Tracy Swanborn will respond to staff questions or will follow up with the answers in the days immediately after the meeting. This additional information will be used to update the written assessments and comparisons of the proposals, as appropriate.

*Deliverables: HF&H will prepare summary assessments and comparison of proposals including cost and tipping fee analyses. In addition, we will prepare a list of clarification questions for each proposer.*

*Confirmation and  
Clarification*

**Task 2d - Participate in proposer interviews.** Ms. Swanborn will attend interviews with the selected proposers (that we anticipate will be scheduled over one day). It is anticipated that comments on our written summaries and assessments, as well as our written responses to the questions developed in Sub-task 3.1, will be presented prior to the interview sessions, in order that clarifying questions may be asked at the interview. Immediately subsequent to the interviews, the written assessments and comparisons of the proposals prepared in Task 2e will be updated with new information obtained during the interview, if any.

*Deliverables: Revised summary assessments and evaluation results, if changes are necessary based on interviews.*

**Task 2e - Participate in site visits (OPTIONAL TASK).** At the City's request, Tracy Swanborn or David Krueger will participate in conducting site visits of proposers' facilities to gather additional information for evaluation purposes and to assist the City staff evaluation team in understanding the strength and weakness of the operations visited. We anticipate that City staff will coordinate the scheduling of the site visits with proposers. Proposal evaluations and rankings will be updated to reflect new information or perspective gained through the site visits. (Note that participating in site visits is listed as an optional task in our cost proposal.)

*Deliverables: Revised summary assessments and evaluation results, if changes are necessary based on site visits.*

**Task 2f - Summary Report.** HF&H will prepare a summary report that provides an explanation of the evaluation process and presents the results of the evaluation, scoring and ranking of proposals, and recommendation(s). The purpose of the report will be to provide the City Council with the background needed to make the award of the operating agreement. Before finalizing the evaluation report we will request that each proposer reviews our summary of their proposed services and costs to confirm that we have accurately documented their proposal.

*Deliverables: Summary evaluation report.*

**Company  
Presentations**

**Task 2g - Proposer Presentations to Council (OPTIONAL TASK).** In lieu of proposers seeking one-on-one presentations to City Council members, we will facilitate a Council meeting or workshop during which each company presents its proposal to the Council. During the Council meeting or workshop, individual Council members may ask questions of the companies, HF&H, and City staff, and may provide direction to HF&H and City staff. In addition, we will also facilitate tours of the companies' facilities for Council members.

If the City chooses to hold a Council meeting or workshop for proposer presentations, we will be pleased to draft a staff report for your modification. We anticipate preparing a brief PowerPoint presentation introducing the companies and key proposal elements. Tracy Swanborn will coordinate the companies presentations to the Council and Bob Hilton and Tracy Swanborn will respond to all questions directed to HF&H during the Council session. (Note that preparing for and attending this Council meeting is listed as an optional task in our cost proposal.)

*Deliverables: HF&H will prepare a brief presentation for Council meeting.*

**Task 2h - Attend City Council meeting.** Bob Hilton and Tracy Swanborn will attend the City Council meeting when Council is requested to award the operating agreement and respond to questions as appropriate. We will review the City-prepared staff report and presentation.

*Deliverables: Comments on City-prepared staff report and presentation.*

### **Task 3 – Negotiations with Selected Operator(s)**

*Negotiation  
Using "Interest-  
Based"  
Approach and  
Extensive  
Experience*

Negotiations can be handled in a couple of ways. For example, the City may decide during the evaluation phase to short list the top proposals and negotiate final agreements with each of the short-listed companies. In which case, this Task 3 would be conducted prior to the completion of Task 2f, the Summary Evaluation Report, and Task 2h, City Council meeting for contract award. Alternatively, the City may decide to present the summary evaluation report to Council requesting Council selection of the operator and seeking direction for staff to negotiate the final agreement at that point.

HF&H is prepared to work with the City under either negotiating scenario. Our role will be to assist the City staff in negotiating a final operating agreement with the short-listed proposers or the selected proposer. Our competitive procurement documents and forms direct the proposers to identify objections to the terms and conditions of the operating agreement (that is part of the RFP package) and to suggest alternative acceptable terms and conditions. In so doing, we typically find that proposers reduce the number of contract exceptions. This allows us to focus the negotiations on a few significant, pre-defined matters. It may be that issues arise during the evaluation and selection process that cause the City to seek changes to the draft operating agreement as well and we can facilitated negotiation of City-requested changes.

Bob Hilton and Tracy Swanborn will prepare for and conduct up to two negotiating sessions with each company involved in the negotiations phase. Prior to the sessions, Bob Hilton and Tracy Swanborn will prepare meeting agendas and information packages, and revisions to the draft agreement in a redline format. During the meetings, we will participate in the negotiations and keep minutes, which will be distributed shortly afterwards to meeting participants. As part of the negotiations task, we will analyze counter-proposals, offer recommendations to City staff, and present alternative solutions to resolve issues.

Our proposal anticipates that the negotiations task will involve preparing one redline version of the operating agreement and a final version of the operating agreement for execution by the City for up to three proposers. Lastly, we will assist the staff in preparing a report to Council on the final contract recommendation.

*Deliverables: HF&H will prepare meeting agendas and information packages for two negotiating meetings; meeting minutes; one redline version of the operating agreement; a final version of the operating agreement; and a presentation for City Council.*

### **Extra Services**

HF&H has conducted competitive procurement projects in so many different ways that we have several ideas for other services the City may want to include in its RFP 2006 process. Our suggestions are listed below. Because the RFP did not specifically request the services listed below, we did not include detailed descriptions of the tasks or propose costs for such services. We would be happy to do so upon request.

- Preparation for and attendance at meetings with management staff of SMaRT Station cities - Mountain View and Palo Alto.
- Tour of Kirby Landfill with proposers after the RFP is issued
- Solicitation of prospective proposers' comments and suggestions on a draft version of the RFP 2006 during Task 1c.
- Preparation for and attendance at additional meetings with City staff, City attorney, City Manager, or evaluation team if our proposed scope of work does not anticipate all the meetings the City had anticipated.
- Performance of a survey of self haul customers during the RFP planning stage (Task 1a) to learn about their needs and concerns.
- Visual inspection of facility residue to identify commodities to be targeted for increased diversion.



# SECTION 6

## MANAGEMENT PLAN

---



## **SECTION 6 MANAGEMENT PLAN**

This section discusses the organization of our project team, summarizes our method of managing project work, and highlights how our staff is accountability for their work and is accountable to you.

### **Organization of Project Team**

As described in Section 2, HF&H assembled a team of eight professional. Our group is organized into two teams: the Engagement Team, which will be responsible for the completion of the Sunnyvale operator procurement; and our Advisory Team, that will provide input into the process based on the lessons they have learned through their direct experience with Sunnyvale and similar project experience for other clients. We believe this type of team approach provides the City with the benefit of working with a small group on a day-to-day basis, yet the knowledge of a large team of experienced people.

### **Managing Project Work**

HF&H has 15 years of experiencing managing projects and its staff. Through these years, HF&H has a process for doing consulting work that provides consistent high performance over time despite the assignment of a variety of individuals. Our approach involves team work and a commitment to quality discussed below.

### **Team Work**

We have staffed this project with a team of well-qualified individuals. Each individual is assigned to specific tasks that they are qualified to perform. The team's work is supervised by Engagement Manager, Tracy Swanborn, who has extensive experience managing procurement projects. Firm President and Engagement Director, Bob Hilton, will monitor the project and the performance of the team. In addition, our Advisory Team will provide perspective and insight from their experiences. This team approach means that Sunnyvale will benefit from the collaborative efforts of several people, their individual experiences, perspective, and innovative ideas. It also means that we can cost-effectively deliver a product which meets the City's needs with input from several HF&H professionals to provide the needed "checks and balances." The tasks each individual will perform are presented in Section 3. As our detailed cost estimate (presented in Section 8) confirms,

12 percent of the consulting hours will be performed by current HF&H partners (Bob Hilton and Laith Ezzet), and former partner (Scott Hobson), and 31 percent will be performed by Tracy Swanborn, Senior Manager. This strong commitment of our senior team demonstrates our commitment to delivering quality service that meets the project requirements and project schedule.

### **Commitment to Quality**

*Fulfilling the  
Broader Goals  
of the City,  
While  
Effectively  
Conducting  
this  
Engagement*

Our approach to serving the City is based on a commitment to providing not only quality work products, but also quality service. This means fulfilling the goals of the City, effectively working as a team with City staff and relieving the burden on City staff while providing leadership to and assuming responsibility for the procurement process. Our goals in providing quality service include the following:

- Relating to the broader goals of the City and community
- Mutually setting and fulfilling realistic expectations
- Effectively managing the decision making processes
- Creatively tailoring products and services to the City's particular needs
- Assuring that no surprises catch City staff and the Council members unprepared
- Designing a procurement process that is appropriate to the achievement of the City's goals while providing no opportunities to be challenged
- Anticipating and handling potentially difficult situations (people or problems)

*Satisfying  
City Issues  
and Concerns*

We believe that our good working relationship with City can be maintained and strengthened by:

- Discussing the issues and concerns of the City as well as the other participating cities, prospective proposers, and facility customers;
- Working closely together to develop clear goals and objectives for the project and to address the City's unique needs and requirements;
- Agreeing on a detailed scope of work as well as a comprehensive, detailed, and realistic project schedule; and,
- Discussing mutual expectations and communicating regularly.

We suggest holding regular face-to-face meetings or conference calls to discuss project issues, and following up calls with written documentation of the discussions and action items. Regular communication will allow the City staff and our engagement team to be informed of new

developments, to mutually set expectations, to respond to the City's needs, and to resolve critical issues. It is strong communication that will be critical to understanding and addressing the City's project requirements and keeping the project moving at a pace that meets the project schedule.

### **Accountability**

Our organizational chart in Section 3 illustrates the lines of authority for our project. Bob Hilton, HF&H President and Engagement Director, is accountable for the successful performance of the project. He will not only be involved in the strategic planning and decision making activities of the project, but he will also monitor the progress of the project to ensure that the integrity of the project schedule is maintained, and review deliverables to confirm our work products are of high quality. Tracy Swanborn, the Engagement Manager, will be responsible on a day-to-day basis for coordinating the project, communicating with City staff, and supervising work performed by our professional staff. Tracy will report to Bob Hilton. All other team members involved in the Sunnyvale project will report to Tracy Swanborn.

*Guaranteeing  
to be  
Responsive  
and Timely*

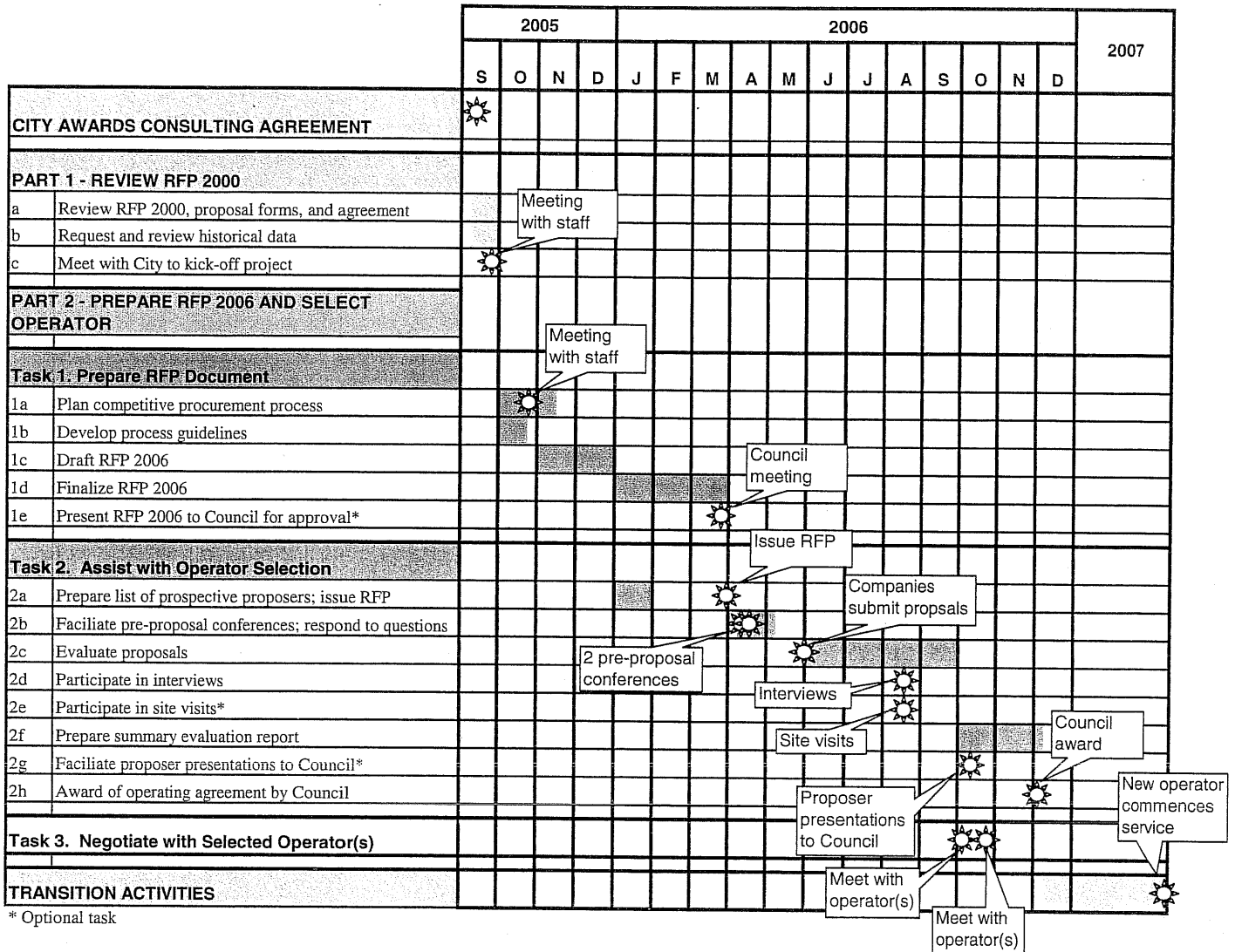
Our project team is ultimately accountable to the City. Our commitment to providing quality service to you is so strong; we will make two guarantees to the City:

1. **Responsiveness Commitment:** HF&H will respond to voice mail and e-mail messages from City staff not later than the end of the working day, if the e-mail or voice message is received prior to noon; and not later than noon of the following workday, if the e-mail or voice message is received after noon. If HF&H fails to meet this commitment, we will give the City one hour of free consulting time for each hour we are late in returning your e-mail or voice message.
2. **Deliverables Commitment:** HF&H will deliver work products to the City in accordance with the agreed upon written schedule. If HF&H fails to meet this commitment, HF&H will give the City eight hours of free consulting time for each day our work product is late.

# SECTION 7

## PROJECT SCHEDULE

EXHIBIT "A -1"



## SECTION 7 PROJECT SCHEDULE

*Meeting  
Sunnyvale's  
Schedule*

We can commit to meeting the City's project timeline presented in Attachment B to the RFP No. F0406-72. In fact, we commend the City on creating a realistic schedule for the contractor selection process. The opposite page contains our proposed schedule including several subtasks that were not listed in the City's project timeline. This schedule anticipates commencement of our services on September 13, 2005. It anticipates issuance of the RFP 2006 on April 1, 2006 and award of the operating agreement on December 6, 2006. The subtasks shown on the project schedule correlate to our proposed project methodology presented in Section 5.

<u>Completion Date</u>	<u>Project Schedule</u>
September 13, 2005	Award of Consulting Agreement; Work Begins
March 31, 2006	Completion of Draft RFP 2006 and Operating Agreement
April 1, 2006	Issue RFP 2006 to Prospective Proposers
June 1, 2006	Companies Submit Proposals
November 21, 2006	Complete Evaluation of Proposals and Preparation of Report to Council
December 6, 2006	Presentation to Council and Award of Contract
January 1, 2008	Commencement of Services by New Contractor

The schedule we presented herein complies with the City's proposed schedule. While this is a very viable schedule, we have a few ideas for planning contingencies into the schedule for the City's consideration.

1. Council Contract Award. Through our numerous procurement projects, we have found that City Council's rarely make the award of the contract when the evaluation report and recommendation are first

## EXHIBIT "B"

### SECTION 8 COST PROPOSAL

In this section, HF&H provides a summary of our cost proposal, describes key assumptions and considerations we made in preparing the cost proposal, and presents the detailed cost proposal for the City's review.

#### **Cost Proposal**

The table below summarizes our cost proposal. A detailed cost estimate is provided at the end of this section identifying all tasks, optional tasks, extra services, estimated labor hours by person, and estimated costs.

<b><u>Task</u></b>	<b><u>Proposed Cost including Optional Tasks*</u></b>	<b><u>Proposed Cost excluding Optional Tasks</u></b>
Part 1 - Review RFP 2000	\$3,478	\$3,478
Part 2 - Prepare RFP 2006 and Select the Operator		
Task 1: Preparation of RFP 2006	\$15,995	\$14,715
Task 2: Assistance with Operator Selection	\$29,365	\$25,615
Task 3: Negotiations with Selected Operator	\$10,330	\$10,330
Engagement Management	\$5,080	\$5,080
Subtotal Labor	\$64,248	\$59,218
Expenses	\$900	\$743
<b>Total</b>	<b>\$65,148</b>	<b>\$59,961</b>

\*Optional tasks are discussed on the following page.

**EXHIBIT "C"**  
**INSURANCE REQUIREMENTS**

CONSULTANT shall obtain, at its own expense and from an admitted insurer authorized to operate in California, the insurance coverage detailed below and shall submit Certificate(s) of Insurance to the City of Sunnyvale, Purchasing Division, 650 West Olive Ave, PO Box 3707, Sunnyvale, CA 94088-3707; fax (408) 730-7710.

CONSULTANT shall take out and maintain during the life of the contract **Workers' Compensation and Employer's Liability Insurance** for its employees. The amount of insurance shall not be less than \$1,000,000 per accident for bodily injury or disease.

CONSULTANT shall take out and maintain during the life of the contract such **Commercial General Liability Insurance** as shall protect CONSULTANT, CITY, its officials, officers, directors, employees and agents from claims which may arise from services performed under the contract, whether such services are performed by CONSULTANT, by CITY, its officials, officers, directors, employees or agents or by anyone directly or indirectly employed by either. The amount of insurance shall not be less than the following: Single Limit Coverage Applying to Bodily and Personal Injury Liability and Property Damage: \$1,000,000.

The liability insurance shall include, but shall not be limited to:

- Protection against claims arising from bodily and personal injury and damage to property, resulting from CONSULTANT's or CITY's operations and use of owned or non-owned vehicles.
- Coverage on an "occurrence" basis.
- Broad form property damage liability. Deductible shall not exceed \$5000 without prior written approval of CITY.
- Notice of cancellation to CITY's Purchasing Division at least thirty (30) days prior to the cancellation effective date.

The following endorsements shall be attached to the liability insurance policy, and copies shall be submitted with the Certificate(s) of Insurance:

- The policy must cover complete contractual liability. Exclusions of contractual liability as to bodily injuries, personal injuries and property damage must be eliminated.
- CITY must be named as additional named insured with respect to the services being performed under the contract. *Simply indicating on the certificate that the certificate holder is named as additional insured is not acceptable; an endorsement must be provided.*
- The coverage shall be primary insurance so that no other insurance effected by CITY will be called upon to contribute to a loss under this coverage.